

JAMES L. BLOCH  
MAYOR

ROBERT J. STEPHENSON  
MAYOR PRO TEM

GERRY B. ANDEEN  
COUNCILMEMBER

DOUGLAS W. DUPEN  
COUNCILMEMBER

BILLY RAY WHITE  
COUNCILMEMBER

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CIVIC CENTER / MENLO PARK, CALIFORNIA 94025 / TELEPHONE (415) 325-3211

April 24, 1978

Dear City Employee:

As most of you are aware, last Tuesday I had the distasteful task of presenting to the City Council a City plan for dealing with the estimated \$1,022,000 of property tax revenue lost if the Jarvis-Gann initiative is approved June 6th.

While the first year's (1978-79) effect is bad enough (reducing 15 full-time positions), the second year (1979-80) will require elimination of 25 additional positions -- unless the State provides the necessary replacement dollars and I do not believe this will happen quickly.

The City Council was unanimous in its feeling that as many as possible City employees should be retained, even if Jarvis-Gann passes. It is the Council's hope that within a year citizens would want full services restored, or the State would provide replacement revenue. This is a compliment from our City Council which recognizes your individual work contributions and wants to retain as much of the organization as it now exists.

Russ and I will be meeting with your elected employee representatives soon to see if we can agree to a 32-hour work week effective July 1, 1978, for all full-time employees (with a 20% reduction in pay) should Jarvis-Gann pass.

The City Council also asked us to explore the impact of terminating all part-time employees. The concept of terminating part-time employees being that part-time employees have other means of support: spouse, another job, etc.

We are also working on the second year list of possible 25 positions to be cut, which is even more damaging to the City as a service delivery organization. This possible job cut list will be sent to you as soon as we have it.

With this letter we are asking you to consider the idea of a 20% pay reduction to 32 hours next fiscal year in order to keep as many as possible present full-time employees and report your feelings to your representative. We are to report back to the City Council on May 2nd.

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City Employee  
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Department Heads will also be holding staff meetings with you for your ideas of:

- (a) What part-time jobs can realistically be cut
- (b) New ideas for increasing City revenue
- (c) Ways to cut costs (save dollars) in our operations

Also we are enclosing a copy of our first Jarvis-Gann proposal so you will know what was discussed.

We need and want your response on the 32-hour work week and your ideas on ways the City can save money.

Very truly yours,



Michael A. Bedwell  
City Manager

MAB:a

Enclosure





JAMES L. BLOCH  
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Dear Councilmembers:


The attached information concerning the effect of Proposition 13 (the proposed Jarvis-Gann Amendment to the Constitution of the State of California) has been prepared by the City Staff at the direction of the City Council.

The information is presented in a manner which indicates what programs and people would be deleted or reduced, what programs would be changed and what funds would be used in a different manner. Frankly, the attached proposal is designed to minimize the impact on employee and service reductions the first year with only 15 full time employee positions deleted. There are major "one time" transfers from accumulated and Capital Improvement funds and reserves, plus significant increases in building and engineering funds.

The 79-80 budget under Jarvis-Gann will be affected in a much more negative manner, however, calling for an additional lay off of 25 employees and a major reduction in services. Also, there will be serious investigation of such income producing activities as bingo (a possible Recreation revenue producer) and charges for street tree trimming and care. Since City streets are easements over private property, then street trees are on private property and user fees could be charged for their care.


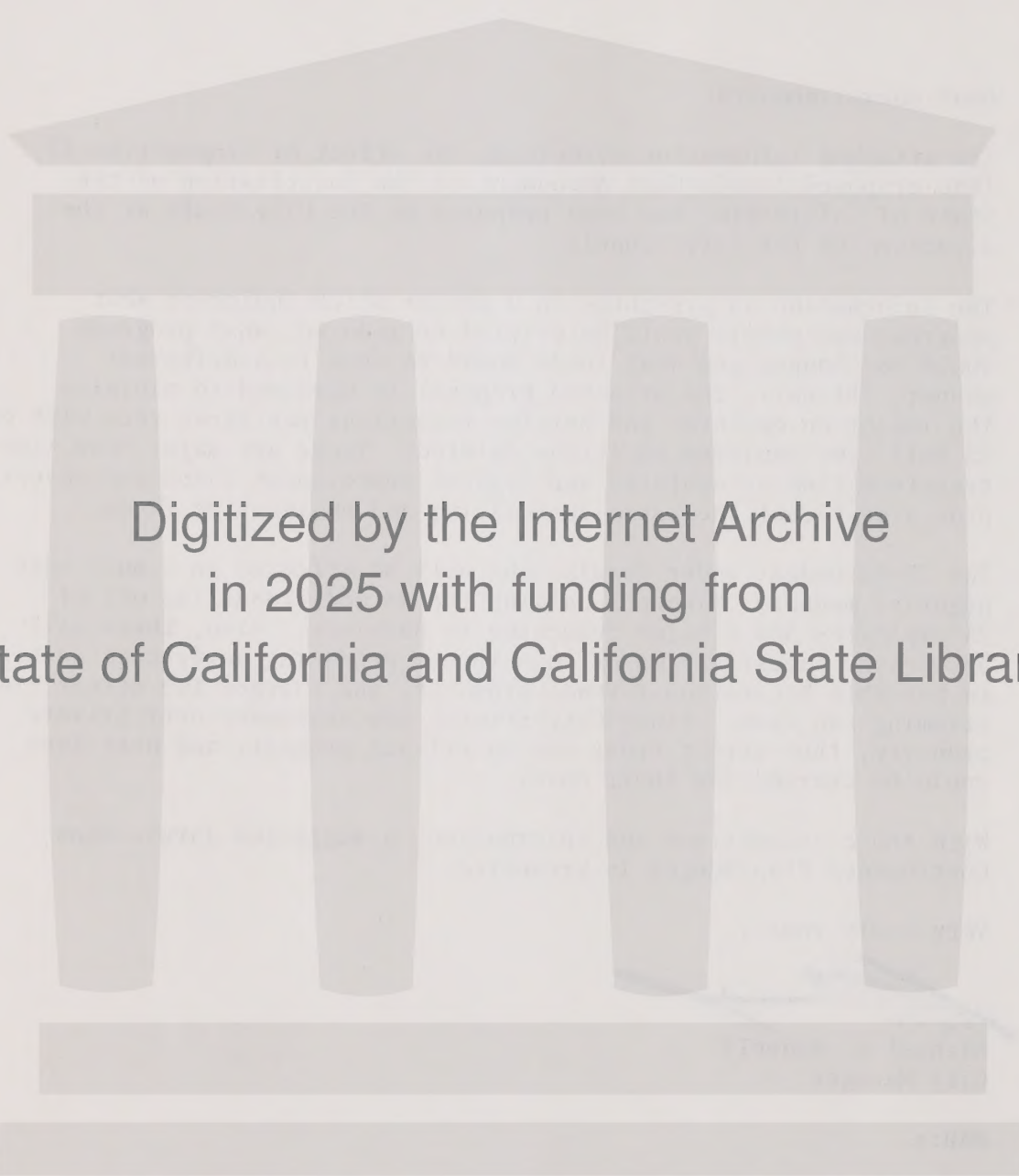
With these assumptions and information, a suggested Jarvis-Gann Contingency Plan Budget is presented.

Very truly yours,



Michael A. Bedwell  
City Manager

MAB:a



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A SUGGESTED JARVIS-GANN CONTINGENCY PLAN BUDGET  
Fiscal Year 1978-79

There are major uncertainties about the proposed Jarvis-Gann amendment. For example: the City staff does not really know whether \$1,022,000 or \$1,721,000 will be lost in revenues out of a \$4,300,000 operating budget if the Jarvis-Gann amendment passes. Thus, it is analogous to a doctor indicating to a patient that of the two arms and two legs the patient has at least one and possibly two, must be removed but - of course - the patient has the choice.

In the suggested Jarvis-Gann Budget attached, it is staff's assumption that the reduced property tax paid will be distributed among all property taxing agencies in the same proportion as those agencies now receive property taxes. Under this assumption, the City of Menlo Park would lose 60% of its property tax revenue, or \$1,022,000.

There has been talk about the State of California (or even the Federal Government) assuming financial responsibility for the revenue losses. It is dangerous to assume that replacement revenue will happen quickly or ever, since the legislature is saddled with a 2/3 vote required on all fiscal matters.

The suggested and attached Jarvis-Gann budget is for 1978-79 only. It is designed to minimize lay offs (15) and service reductions for the first year by dipping into reserves for a one-time only transfer of replacement revenue to make up a part of the \$1,022,000 assumed loss as a result of Jarvis-Gann.

Fiscal year 79-80 cuts will necessitate the termination of 25 additional employees (to the 15 already proposed in 78-79) and the concurrent elimination and reduction of more of City services.

Jarvis-Gann marks the beginning of the end of local control. City governments will go to the State and Federal governments with fiscal hands out stretched, palms upwards. What the Federal and State governments contribute to, they regulate or control. The one major income variable City government has, the property tax (only 7½% of the total property tax bill), will be for all intents and purposes lost (at a maximum rate of 30¢) under Jarvis-Gann.

Jarvis-Gann is not all bad. It gives local government the chance to say, "No" and does force local government to look at what it is doing to see whether or not to continue such activities. What is bad about Jarvis-Gann is the uncertainty, the "sudden death-meet ax" approach and the genuine loss of local control.





CITY OF MENLO PARK  
JARVIS-GANN CONTINGENCY PLAN  
SUMMARY for 1978-79

ITEM #	PROGRAM	AMOUNT	IMPACT
A	Increased user fees	\$ 140,000	Raises \$100,000 by increasing all building, planning and zoning fees by 100%; increases Engineer fees to cover full costs of permits, tentative maps, subdivision, EIR's and increases 80/20 Recreations fees for operation by \$20,000
B	Transfer from other fund sources	\$ 52,000	Uses \$52,000 from Revenue Sharing for operation and makes City more dependent on Federal funding and stops City funding of Child Care
C	Reduce City Reserves	\$ 237,000	Uses funds previously reserved for Capital Improvement projects from Sales Tax funds
D	Lease Administration Building	\$ 100,000	Moves City administrative operations to Library basement and, possibly Recreation Center
	SUB TOTAL	\$ 529,000	
			NOTE: If A B C & D are not accepted, then at least 25 more positions need to be eliminated with concurrent reduction in City Services
E	Reduced service	\$ 493,300	(See attached pages) Deletes 15 positions
	TOTAL	\$1,022,300	
*****			
	Alternate Consideration:		
	Reduce work week for all City employees to 32 hours (20% reduction in pay)	\$ 400,000	If acceptable to employees under Meyer Milias Brown Act process it would reduce impact of lay offs and would reduce services by at least 20%



## CITY OF MENLO PARK

## JARVIS-GANN CONTINGENCY PLAN

## RANKING

ITEM #	PROGRAM & DEPARTMENT	DESCRIPTION	IMPACT OF REDUCTION	AMOUNT OF REDUCTION	
				ITEM	CUMULATIVE
1	User fees	Raises building, planning, and zoning fees by 100%, increases Engineer fees by \$20,000 to recover full costs and increases Recreation 80/20 fees by \$20,000	Community Development would become more self-supporting. Only users of services would pay. Would possibly discourage owners from adding improvements to their buildings or probably increase the number of illegal additions or alterations to buildings	\$140,000	\$140,000
2	Transfer from Revenue Sharing sources	Use Federal Revenue Sharing 77-78 funds uncommitted (\$31,000) and Child Care reserve (\$21,000) for City operations	Makes City operations more dependent on uncertain Federal funds. Stops Child Care Coordinator funding and removes possibility of expansion of social service programs	\$ 52,000	\$192,000
3	City Council/General Government	Delete Chamber of Commerce support	Support deleted and possible shift of inquiries to City Hall. City Hall will not respond in the manner that the Chamber has.	\$ 15,000	\$207,000
4	Meetings, Conferences and Training for <u>all Departments</u>	Reduce by 50% Conference and training	Reduce employee effectiveness and knowledge of technological changes	\$ 10,000	\$217,000
5	City Council/General Government	Delete annual Fourth of July celebration	Loss of unifying program	\$ 4,500	\$221,500
6	City Council/General Government	Delete annual contribution to Operation Facelift	Termination of program to improve various business areas in Menlo Park and possibly curtail contributions for additional parking development in downtown area (could also withdraw \$105,000 already in the account and stop program as of July 1, 1978)	\$ 50,000	\$271,500





ITEM #	PROGRAM & DEPARTMENT	DESCRIPTION	IMPACT OF REDUCTION	AMOUNT OF REDUCTION	
				ITEM	CUMULATIVE
7	Reduce Reserves from Sales Tax and Operating Budget	<p>Uses funds reserved in prior years for those Capital Improvement projects</p> <p>S.P. Depot Restoration and Beautification \$100,000</p> <p>City Entryway Beautification \$66,000</p> <p>Belle Haven Storm Drains \$42,000 (leaves \$113,000 in Storm Drain Budget)</p> <p>Reduced operating reserve by \$29,000</p> <p>TOTAL: \$237,000</p>	Eliminate or postpones these projects	\$237,000	\$508,500
8	Recreation - Assistant Director	Eliminates Assistant Recreation Director and some part-time employees	Reduces Director's ability to look for outside financing and to coordinate with outside agencies for special projects such as handicapped programs	\$ 30,000	\$538,500
9	City Manager/ Personnel	Eliminates Personnel Technician	Loss of ability to carry out affirmative action program and to update personnel policies and rules. Eliminate capacity to see that personnel policies are uniformly administered in each department	\$ 22,000	\$560,000
10	Personnel Advertising	Reduces job advertising and pre-employment physicals	Result of Jarvis-Gann is to cut position. Persons who were laid off would be eligible for rehire without advertising.	\$ 3,800	\$564,300
11	Rental Revenue	Lease entire City Administration Building	Moves City administrative operation to Library basement (and Recreation Center). Minimize impact of Civic Center Bond payments on Budget.	\$100,000	\$664,300
12	Belle Haven Community Center	Eliminates clerical support and supplies	Reduces programs and services to citizens.	\$ 18,000	\$682,300





ITEM #	PROGRAM & DEPARTMENT	DESCRIPTION	IMPACT OF REDUCTION	AMOUNT OF REDUCTION	
				ITEM	CUMULATIVE
13	Burgess Theatre	Eliminates Theatre Director and lease Theatre to Volunteer groups	Loss of City-sponsored Community Theatre and related activities	\$ 26,000	\$708,300
14	Public Works	Reduces street sweeping. Eliminates at least one street sweeper operator	Reduces street sweeping to once every three weeks in residential areas and twice a week in downtown	\$ 25,000	\$733,300
15	Police	Reduces operating and overtime budgets by 10%	Reduces level of patrol coverage and curtails all operating expenses and eliminates participation in Y.F.S., CAPTURE and anti-fencing (goods) program	\$ 40,000	\$773,300
16	Police	Eliminates one Community Service Officer for Animal Control	Terminates City's participation in animal control activities. Terminates vacation house checks	\$ 15,200	\$788,500
17	Police	Eliminates two school crossing guards	No City paid street crossing guards - would depend on volunteers if service was provided	\$ 5,300	\$793,800
18	Public Works	Reduces street light energy by $\frac{1}{4}$	Turn off street lights at midnight. Reduces energy costs with minimal increase in safety hazards	\$ 40,500	\$834,300
19	Police	Community Service Officer	Eliminates new crime prevention programs in target areas - stops lock installation program	\$ 14,000	\$848,300
20	Recreation/ City Manager	Eliminates one person providing Recreation clerical support and PBX relief	Reduces clerical support and creates problems in Recreation program scheduling plus shifting PBX relief to other departments and curtailing their work effectiveness	\$ 12,400	\$860,700
21	Youth Service Center	Eliminates one Counselor	Reduces number of hours building would be open and reduces number of youths placed by half	\$ 20,000	\$880,700





ITEM #	PROGRAM & DEPARTMENT	DESCRIPTION	IMPACT OF REDUCTION	AMOUNT OF REDUCTION	
				ITEM	CUMULATIVE
22	Civil Disaster	Eliminates contract with County of San Mateo for services	Damage disaster preparedness program by eliminating up-to-date emergency plans and training drills	\$ 8,000	\$888,700
23	Library	Close Library one day a week (10 hours). Limits number of books per patron and reduces coverage of reference desk and cut book budget	Service and convenience to public reduced. Patrons would have greater difficulty in locating material and information	\$ 38,000	\$926,700
24	General Government	Subsidy for County Convention and Visitors' Bureau	Entire Hotel Tax used for City Operations. Minimal tourist income loss	\$ 4,000	\$930,700
25	Public Works trees	Eliminates one Maintenance Man II position	Eliminates street tree spraying, root removal, street tree trimming, and street tree replacement and arborist services (Investigate possibility of charging for the service if property owner wants service)	\$ 41,500	\$972,200
26	Police	Eliminates one Community Service Officer position	Reduces parking enforcement in business areas - duties assigned to patrol officers as a lower priority. Some loss of revenue	\$ 15,200	\$987,400
27	Finance/ City Clerk	Eliminates one clerical position and supplies	Significantly increases delays in minute preparation and reduces ability of City to take advantage of invoice discounts	\$ 17,600	\$1,005,000
28	General Government	Deletes secretarial support for Boards and Commissions	Requires Boards and Commissions to do their own minutes and own correspondence	\$ 2,200	\$1,007,200
29	Recreation Burgess and Kelly Pools	Deletes school swimming program at Burgess Pool and summer swimming program at Kelly	Deletes all school swimming at Burgess and all Kelly swimming. Impact minimal in terms of numbers of users at Kelly	\$ 15,100	\$1,022,300



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